

FISCAL NOTE

HB 22 – SB 227

March 30, 2005

SUMMARY OF BILL: Increases the local beer permit application fee from \$250 to \$300 and increases the beer privilege tax from \$100 to \$120. Revenue derived from these increases would be earmarked for underage substance abuse prevention. The bill also provides local governments with the authority to do background checks, paid for by the applicant and expands the types of offenses for which applicants can be disqualified.

ESTIMATED FISCAL IMPACT:

Increase State Revenues – Less than \$50,000/Permissive
Increase State Expenditures – Less than \$50,000/Permissive

Increase Local Govt. Expenditures – Not Significant
Increase Local Govt. Revenues – Exceeds \$100,000/Earmarked for
underage substance abuse prevention
Decrease Local Govt. Revenues – Not Significant

Assumptions:

- There would be an increase in state revenues and expenditures due to the cost to the Tennessee Bureau of Investigation for background checks to the extent that local governments choose to exercise the option to do background checks.
- There would be an increase in local government expenditures for administrative changes necessary to implement the provisions of this bill.
- At least 800 new beer permit applications per year and at least 3200 annual privilege taxpayers per year. The proceeds from the increase in the fee for each will result in an increase in local government revenues exceeding \$100,000. Such increase is earmarked for underage substance abuse prevention.
- There would be few additional disqualifications as a result of the expanded range of offenses for which an applicant could be disqualified. Therefore, the decrease in local government revenues would be not significant.
- The language included in the bill is sufficient to allow the Tennessee Bureau of Investigation to conduct fingerprint-based background checks.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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